

MICHIGAN ENERGY FORUM

■ Paul Chodak

■ President and Chief Operating Officer

■ Indiana Michigan Power

■ March 18, 2003



AEP **INDIANA
MICHIGAN
POWER**

A unit of American Electric Power

Indiana Michigan Power

- 128,000 customers in southwest Michigan
- Michigan's largest nuclear plant
- Maintaining our low-cost heritage for customers



Working Hard to Keep Bills Low

- Modified Environmental Agreement
- Hundreds of millions of dollars of savings
- Completely complying with federal regulations
- Maintaining affordable service

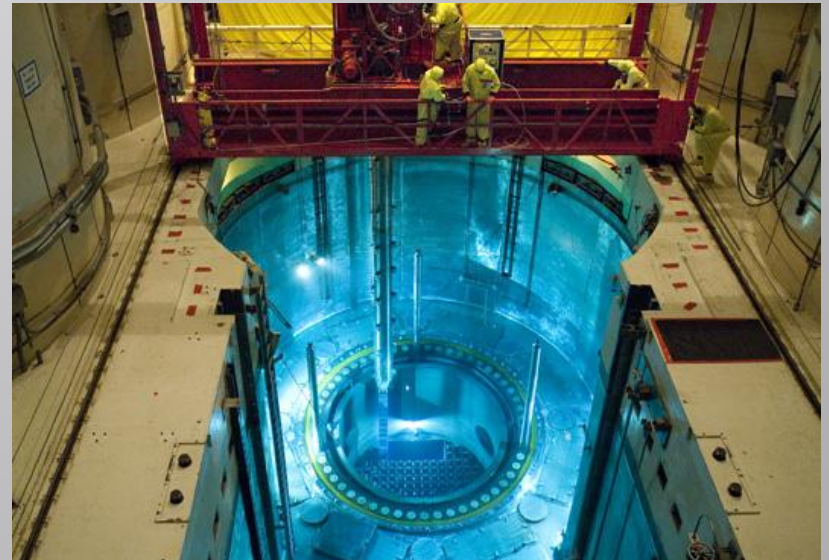


Question 6

- Would a change in the choice cap have an impact on the financial stability of utilities and investors' ability to make long-term substantial investments in new generation?
- Answer: **YES**
 - More Risk = Higher cost of capital = Capital may be invested elsewhere

Impact of Public Act 286

- Cook Plant life cycle management project
- Prior to 2008 - Unsustainable model for investment and development
 - Fitch Report
 - S&P Report
 - Regulatory support key to building new power plants
- Changes after PA 286



Questions?